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SUPREME COURT, U.S.
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No. 03-1719

IN THE

Supreme Court of the United States

MULTI-TECH SYSTEMS, INC.,

Petitioner,

v.

MICROSOFT CORPORATION,

Respondent.

MULTI-TECH SYSTEMS, INC.,

Petitioner,

v.

NET2PHONE, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF

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STATEMENT PURSUANT TO RULE 29.6

Petitioner's corporate disclosure statement was set forth at page *iii* of its Petition for a Writ of Certiorari, and there are no amendments to that statement.

TABLE OF CONTENTS

	Page
Statement Pursuant to Rule 29.6	i
Table of Contents	ii
Table of Cited Authorities	iii
Introduction	1
Argument	1
I. This Court Should Provide Guidance And Clarity Regarding The Use Of Statements Made During Prosecution Of A Later Patent To Narrow Claim Scope Of A Patent That Issued Before The Statements Were Made.	1
II. This Court Should Provide Guidance And Clarity On Claim Construction Rules.	3
III. This Court Should Grant Certiorari, Vacate The Judgment, And Remand To The Federal Circuit In Light Of The Impending Decision In *Phillips*.	6
Conclusion	10

TABLE OF CITED AUTHORITIES

Page

Cases:

Cardinal Chem. Co. v. Morton Int'l, Inc., 508 U.S. 83 (1993) 5

Georgia-Pacific Corp. v. United Gypsum Co., 195 F.3d 1322 (Fed. Cir. 1999) 1, 2, 3

Goldenberg v. Cytogen, Inc., No. 03-1409, 2004 WL 1393816 (Fed. Cir. June 23, 2004) 1, 2, 3

Gulf, Colo. & Santa Fe Ry. Co. v. Dennis, 224 U.S. 503 (1912) 9

Lawrence v. Chater, 516 U.S. 163 (1996) 6, 8, 9

Liebel-Flarsheim Co. v. Medrad, Inc., 358 F.3d 898 (Fed. Cir. 2004) 4

Omega Eng'g, Inc. v. Raytek Corp., 334 F.3d 1314 (Fed. Cir. 2003) 5

Phillips v. AWH Corp., 2004 U.S. App. LEXIS 15065 (July 21, 2004) ..... *passim*

Phillips v. AWH Corp., 363 F.3d 1207 (Fed. Cir. 2004) 9

Schwing GmbH v. Putzmeister Aktiengesellschaft, 305 F.3d 1318 (Fed. Cir. 2002) 5

SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., 242 F.3d 1337 (Fed. Cir. 2001) 4

Cited Authorities

	Page
Stutson v. United States, 516 U.S. 193 (1996)	8
Thomas v. American Home Prods., Inc., 519 U.S. 913 (1996)	6

INTRODUCTION

Petitioner Multi-Tech Systems, Inc. respectfully submits this reply brief in support of its petition for a writ of certiorari, and in response to the opposition briefs of Respondents, Microsoft Corporation and Net2Phone, Inc.

ARGUMENT

I. This Court Should Provide Guidance And Clarity Regarding The Use Of Statements Made During Prosecution Of A Later Patent To Narrow Claim Scope Of A Patent That Issued Before The Statements Were Made.

This Court should clarify whether statements made during prosecution of a patent should be used in any way to interpret the claim scope of a related patent that issued before those statements were made. As Circuit Judge Rader correctly argued in his strong dissent in this case, "this court today dismisses the rule in *Georgia-Pacific Corp. v. United Gypsum Co.*, 195 F.3d 1322 (Fed. Cir. 1999) and applies the prosecution history of a later patent to limit the narrower claims of a patent issuing before such statements were made." App. A at 31a. The Multi-Tech decision, which removed the public's certainty of an issued patent's fixed intrinsic evidence, provides little guidance for patent prosecutors, patent litigators and the courts as to when they should use statements from prosecution of a patent to interpret the claims of a related patent that issued before those statements were made.

A recent Federal Circuit case cited by Microsoft and Net2Phone in their opposition briefs, *Goldenberg v. Cytogen, Inc.*, No. 03-1409, 2004 WL 1393816 (Fed. Cir. June 23, 2004), further supports Multi-Tech's argument that the

Federal Circuit has departed from the principle set forth in *Georgia-Pacific Corp.*, injecting even more uncertainty into the public notice function of the fixed intrinsic evidence of an issued patent. In *Goldenberg*, the Federal Circuit discusses the availability of a patent or its prosecution history to construe claims of another patent. In distinguishing between related and unrelated patents,[1] the Federal Circuit boldly asserts that "reliance" on statements made during prosecution of an application to construe the claims of an already-issued patent in the same family is "permitted," as opposed to the Multi-Tech panel majority stating that such statements are "relevant":

> In the absence of an incorporation into the intrinsic evidence, this court's precedent takes a narrow view on when a related patent or its prosecution history is available to construe the claims of a patent at issue and draws a distinct line between patents that have a familial relationship and those that do not. . . . This dividing line was left undisturbed by our most recent decision on the issue, *Microsoft Corp. v. Multi-Tech Systems, Inc.*, which permitted reliance on statements made subsequent to the issuance of a patent when construing its claims where the statements were made in connection with continued prosecution of sibling applications.

Goldenberg, 2004 WL 1393816, at *8 (emphasis added).

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1. The distinction between related and unrelated patents is irrelevant to the Multi-Tech case, which involves patents within the same family: the '649, '627 and '532 patents.

Noticeably absent is any mention of *Georgia-Pacific*. This declaration—more boldly asserted than the Multi-Tech panel majority's conclusion that such statements are "relevant"—permits courts to rely on later-made statements to construe the claims of a related patent that issued before those statements were made, even though the patent examiner could not have relied upon those statements when allowing the claims of the earlier-issued patent. The Federal Circuit's recent characterization of *Microsoft v. Multi-Tech* is a complete contradiction to the principle set forth in *Georgia-Pacific*, which the Federal Circuit carefully avoids: "[F]or [the patentee] to be bound by the statement made to the PTO in connection with a later prosecution of a different patent, the statement would have to be one that the examiner relied upon in allowing the claims in the patent at issue." *Georgia-Pacific*, 195 F.3d at 1333. Without admitting it, the Federal Circuit equates "reliance" and "relevance" to a binding limitation. As a result, the Multi-Tech decision and *Goldenberg* are in direct conflict with *Georgia-Pacific*. The result deprives the public of its right to rely on the fixed public record of an issued patent. This Court should not allow the Federal Circuit to deprive the public of its right to ascertain the scope of an issued patent.

II. This Court Should Provide Guidance And Clarity On Claim Construction Rules.

This Court should provide guidance and clarity on claim construction law, which currently is in a state of chaos. Even the Federal Circuit recently acknowledged that several claim construction issues need attention. After Multi-Tech submitted its petition, the Federal Circuit granted a petition for rehearing *en banc* to address several issues relating to claim construction that need resolution. *Phillips v. AWH Corp.*, 2004 U.S. App. LEXIS 15065 (July 21, 2004). The Federal Circuit, *en banc*, will consider seven claim

construction issues, including several issues that are directly relevant to the *Multi-Tech* case. *Id.* at *2-4.

Contrary to Microsoft's assertion, Multi-Tech's second and third issues presented in its petition do not relate to a mere "'misapplication of a properly stated rule of law.'" Microsoft's Opp. at 9 (citing to Sup. Ct. R. 10). In this case, the panel majority limited Multi-Tech to a non-existent limitation in the specification, concluding that Multi-Tech's claims were limited to transmission exclusively over a telephone line and not over a packet-switched network such as the Internet. Dissenting Circuit Judge Rader accurately declared that the panel majority went "beyond merely importing a limitation from the specification into the claims" by importing an "unstated limitation into the claims." App. A at 32a. As admitted by the Federal Circuit, the plain and ordinary meaning of the claims of Multi-Tech's '649, '627, and '532 patents does not limit the claims to transmission of data exclusively over a telephone line. App. A at 13a-14a.

Federal Circuit judges recognize the lack of guidance on the role of the specification during claim construction. As asserted by Circuit Judge Dyk, "our decisions provide inadequate guidance as to when it is appropriate to look to the specification to narrow the claim by interpretation and when it is not appropriate to do so. Until we provide better guidance, I fear that the lower courts and litigants will remain confused." *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys.*, 242 F.3d 1337, 1347 (Fed. Cir. 2001) (Dyk, J., concurring). Due to this lack of guidance, similar cases result in dissimilar decisions. For example, the Multi-Tech decision is in direct conflict with *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898 (Fed. Cir. 2004), a case with similar facts as the Multi-Tech case, but with the opposite outcome. The lack of guidance on the appropriate use of the specification

as opposed to the application of the ordinary meaning of the claim language is further supported by the Federal Circuit's grant of *en banc* rehearing of *Phillips*, in which the Federal Circuit will review these and other issues. *Phillips*, 2004 U.S. App. LEXIS 15065, at *2-4.

The Multi-Tech decision also is inconsistent with the Federal Circuit's caselaw requiring a clear and unambiguous disclaimer. As Circuit Judge Rader correctly noted in his dissent, "[a]s a question of law, however, this court's conclusion significantly erodes the requirement that a disclaimer of subject matter must be clear and unambiguous." App. A at 35a (citations omitted). The panel majority's limiting decision in Multi-Tech departs from case law requiring disclaimers to be clear and unambiguous. *See, e.g., Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1325 (Fed. Cir. 2003); *Schwing GmbH v. Putzmeister Aktiengesellschaft*, 305 F.3d 1318, 1324-25 (Fed. Cir. 2002).

In short, the Multi-Tech decision demonstrates the uncertainty and inconsistency arising from the Federal Circuit's case law on claim construction, providing little guidance to district courts, practitioners, patentees, and the public on how to construe claims properly. This case is even more cert-worthy because patent cases are appealed to only one appellate court. "Because the Federal Circuit has exclusive jurisdiction over appeals . . . in patent litigation," its rules have a greater tendency to be cert-worthy "matter[s] of special importance to the entire Nation." *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 89 (1993). This Court should grant Multi-Tech's petition to provide guidance and clarify the rules of claim construction for district courts, the Federal Circuit, practitioners and the public.

III. This Court Should Grant Certiorari, Vacate The Judgment, And Remand To The Federal Circuit In Light Of The Impending Decision In *Phillips*.

Multi-Tech alternatively requests that this Court grant a writ of *certiorari*, vacate the judgment, and remand the case to the Federal Circuit for reconsideration in view of the impending decision in *Phillips*. In determining whether to grant *certiorari*, vacate a judgment, and remand ("GVR order"), this Court applies a "reasonable standard:"

> Where intervening developments, or recent developments that we have reason to believe the court below did not fully consider, reveal a reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration, and where it appears that such a redetermination may determine the ultimate outcome of the litigation, a GVR order is, we believe, potentially appropriate.

Lawrence v. Chater, 516 U.S. 163, 167 (1996).[2] This standard is met in the *Multi-Tech* case because its outcome may change in light of a relevant intervening event. Three weeks after Multi-Tech submitted its petition, the Federal Circuit granted a rehearing *en banc* in *Phillips* "to resolve issues concerning the construction of patent claims. . . ." *Phillips*, 2004 U.S.

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2. [W]e have never regarded Rule 10, which indicates the general character of reasons for which we will grant *plenary consideration*, as applicable to our practice of GVR'ing. Indeed, *most* of the cases in which we exercise our power to GVR plainly do not meet the "tests" set forth in Rule 10.

Thomas v. American Home Prods., Inc., 519 U.S. 913, 914-15 (1996) (Scalia, J., concurring) (citations omitted) (emphasis in original).

App. LEXIS 15065, at *2. Among those issues include whether the specification can limit the full scope of the claim language as defined by dictionaries, and what role the specification, prosecution history and dictionaries play in claim construction, as set forth below:

1. Is the public notice function of patent claims better served by referencing primarily to technical and general purpose dictionaries and similar sources to interpret a claim term or by looking primarily to the patentee's use of the term in the specification? If both sources are to be consulted, in what order?

2. If dictionaries should serve as the primary source for claim interpretation, should the specification limit the full scope of claim language (as defined by the dictionaries) only when the patentee has acted as his own lexicographer or when the specification reflects a clear disclaimer of claim scope? If so, what language in the specification will satisfy those conditions? What use should be made of general as opposed to technical dictionaries? How does the concept of ordinary meaning apply if there are multiple dictionary definitions of the same term? If the dictionary provides multiple potentially applicable definitions for a term, is it appropriate to look to the specification to determine what definition or definitions should apply?

3. If the primary source for claim construction should be the specification, what use should be made of dictionaries? Should the range of

> the ordinary meaning of claim language be limited to the scope of the invention disclosed in the specification, for example, when only a single embodiment is disclosed and no other indications of breadth are disclosed?
>
> . . .
>
> 6. What role should prosecution history and expert testimony by one of ordinary skill in the art play in determining the meaning of the disputed claim terms?

Id. at *2-4.

The outcome of these issues directly affects this case, which was decided based on the Federal Circuit's improper narrow reading of the '649, '627 and '532 patents' specification and prosecution history of the '627 patent, without consulting technical dictionaries to define technical terms and without considering how one skilled in the art would view the intrinsic evidence as a whole. Granting a GVR in this case is appropriate so the Federal Circuit may reconsider this case, and potentially reach a different result, in light of the outcome of the claim construction issues set forth in *Phillips*.

"[A] GVR order both promotes fairness and respects the dignity of the Court of Appeals by enabling it to consider potentially relevant decisions and argument that were not previously before it." *Stutson v. United States*, 516 U.S. 193, 197 (1996). GVR cases have been granted "in light of a wide range of developments, including [United States Supreme Court] decisions, State Supreme Court decisions, new federal statutes, administrative reinterpretations of federal statutes . . ." *Lawrence*, 516 U.S. at 166-67 (citations omitted). Here,

the precedent that the Federal Circuit will soon create upon deciding *Phillips* is analogous to a state supreme court decision that affects the outcome of a case. *Gulf, Colo. & Santa Fe Ry. Co. v. Dennis*, 224 U.S. 503 (1912). The Federal Circuit is analogous to the highest state court because the Federal Circuit is the only appellate court for patent cases. The Federal Circuit should reconsider this case in light of the precedent to be created in *Phillips*.

"Whether a GVR order is ultimately appropriate depends further on the equities of the case. . . ." *Lawrence*, 516 U.S. at 167-68. The equities of the *Multi-Tech* case require a GVR order. The Federal Circuit improperly limited the "sending," "receiving," and "transmitting" claim terms of Multi-Tech's '649, '627 and '532 patents to transmission exclusively over a telephone line by reading purported limitations from the specification into the claims and by relying on an ambiguous statement in the '627 patent's prosecution history. Similar mistakes were made in *Phillips*, in which the panel majority improperly limited the claims to one embodiment disclosed in the specification when it incorrectly concluded that it was the *only* embodiment disclosed in the specification. *Phillips v. AWH Corp.*, 363 F.3d 1207, 1214 (Fed. Cir. 2004). This case should be reheard by the Federal Circuit in light of the impending decision in *Phillips* to promote harmony in the outcomes of these cases. Otherwise, this case will suffer a different outcome from *Phillips*.

CONCLUSION

Multi-Tech's petition should be granted.

Respectfully submitted,

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